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14 August 1958

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CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

I. THE COMMUNIST BLOC

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USSR-Hungary: Khrushchev's statement to Adlai Stevenson on 5 August that he had "decided to spend his vacation with Kadar" may indicate that Khrushchev continues to feel that he must intervene personally to support Kadar in his dealings with the Hungarian party and people. It is not clear from Khrushchev's remarks whether he is going to Hungary. Earlier he told the American ambassador he would be vacationing in Kiev from 16 to 20 August and would spend the remainder of his holiday in the Crimea. OPK

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Communist China - UAR: Nasir recently told a Japanese Diet member that Chou En-lai will arrive in Cairo "in several weeks." Such a visit would afford Communist China an opportunity to underscore its own interests in the Middle East and support Peiping's pretensions to a "great-power" voice on major international issues.

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Watch Committee conclusion--Sino-Soviet bloc:

- A. No Sino-Soviet bloc country intends to initiate hostilities against the continental US or its possessions in the immediate future.
- B. No Sino-Soviet bloc country intends deliberately to initiate direct military action against US forces abroad, US allies, or areas peripheral to the orbit in the immediate future.

NOTE: Soviet forces in areas adjacent to the Middle East appear to have ended their limited alert and have returned to normal dispositions. Chinese Communist forces do not appear to intend major action against the offshore islands or Taiwan in the immediate future, although air clashes involving numbers of aircraft in the Taiwan Strait area are probable.

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II. ASIA-AFRICA

Watch Committee conclusion--Middle East:

Although a deliberate initiation of open hostilities in the Middle East is unlikely in the immediate future, the situation remains highly unstable throughout the area, particularly where US and UK interests or commitments are involved, and incidents and coups could occur at any time.

NOTE: The survival of the Jordanian regime continues to be threatened. If the regime in Jordan collapses, action

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by neighboring countries to take control of Jordanian territory is likely. There are indications of closer accommodation between Saudi Arabia and the UAR.

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Jordan: King Husayn has stated he will reject any plan to use a UN force to assist Jordan to maintain its independence. Although he would welcome a UN "guarantee" of Jordan's frontiers, his government will continue in practice to rely on American and British support. Husayn and Prime Minister Rifai evidently suspect that the Western powers may be tempted to sacrifice their position in Jordan in order to achieve a wider agreement on Middle Eastern problems

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No

Iran: The Shah, who is known to fear a coup, continues to show concern over political and military elements which offer a potential threat to his regime. He may even be considering the removal of all combat-type units from Tehran on the supposition that such action would make a military coup impossible. Removal of the Tehran garrison is regarded by American military representatives in Iran as suicidal.

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Pakistan: Growing popular dissatisfaction with Karachi's pro-Western foreign policy is being exploited by both leftist and conservative opposition groups. With national elections slated to be held within six months, Pakistan's relationship with the West may become an important campaign issue.

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Indonesia: Dissident troops inflicted considerable damage on an American-owned rubber estate--the largest on Sumatra and one of the largest in the world--southeast of Medan during a 10 August raid. The central government has flown additional troops to Medan, probably to reinforce hard-pressed units south of Medan and to counter any dissident threat to the city.

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Morocco: The dominant Istiqlal party on 12 August created a commission to prepare recommendations on the withdrawal of foreign troops from Morocco. The recommendations probably will call for eventual total evacuation, including US forces from the five US-manned bases.

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I. THE COMMUNIST BLOC

Khrushchev May Spend Vacation With Hungary's Kadar

During a discussion of Eastern European affairs with Adlai Stevenson on 5 August, Khrushchev said he "had decided to spend his vacation with Kadar this summer." He further suggested that he and Stevenson "go together" and "speak to the Hungarian people." In view of Khrushchev's previous statement to the US ambassador that he would vacation in Kiev from 16 to 20 August and would spend the remainder of his vacation in the Crimea, these remarks may not mean that he is actually planning a trip to Hungary. Kadar may be going to the USSR to participate in some type of meeting with other satellite leaders; Ulbricht of East Germany and Novotny of Czechoslovakia are already vacationing in the USSR. *605*

On the other hand, Khrushchev may be planning a bilateral meeting with Kadar in the belief that the Hungarian party leader needs some special sign of his personal backing at this time because of increased party factionalism in Hungary exacerbated by the Nagy-Maleter executions and other pressing internal problems. Such a meeting, like the one held in April, would put Kadar in a much better position to silence his Stalinist critics. The Stalinists may have been encouraged by the measures taken against Nagy and his associates and by the consequent vindication of their own conduct during the revolution to hope that Kadar might be losing Moscow's favor.

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Chou En-lai May Visit Cairo

Communist China's Premier Chou En-lai will probably visit Cairo in the near future. UAR President Nasir told a visiting Japanese Diet member on 5 August that the Chinese premier would arrive in "several weeks." There have been other reports indicating that Chou was planning to visit Cairo before the end of September.

Such a visit would afford China the opportunity to underscore its own interests in the Middle East and support Peiping's pretensions to a "great-power" voice on major international issues. Chou will undoubtedly stress China's support for UAR efforts to undercut pro-Western governments in the Middle East and to press for the withdrawal of American and British troops from the area. Nasir, who was in close contact with Chou at the Bandung Conference in 1955, can be expected to reach agreement with him on a broad range of political and economic matters, assuring him among other things that the UAR will support any Soviet or Asian move to seat China in the United Nations.

During the visit, Chou's endorsement of Nasir may extend to an offer of limited military assistance. Peiping's propaganda during July hinted at the willingness of Chinese troops to "volunteer" for action in the Middle East.

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Opposition in Pakistan Intensifies Attacks on Pro-Western Foreign Policy

Opposition elements in Pakistan apparently intend to take full advantage of growing popular dissatisfaction with the government's pro-Western orientation by stepping up their campaign for a more "independent" foreign policy. With national elections to be held in six months, Pakistan's cooperative relationship with the West may be used by both leftist and rightist groups as the major campaign issue. While there is no way of determining public opinion in Pakistan with accuracy, it seems likely that well over half of the population does not support the government's pro-Western policy.

The leftist National Awami party on 10 August opened a propaganda campaign in Karachi calling for abrogation of military pacts, close relations with the Arab nationalists, and immediate withdrawal of US and British troops from Lebanon and Jordan. The party had decided in July to launch a "massive" campaign on the foreign policy issue throughout East Pakistan, where sentiment in favor of neutralism is particularly strong.

The conservative Moslem League on 9 August formally called on the government to change its policy so as to cooperate with the Arab nationalist movement and oppose foreign "interference" in the Middle East. While party resolutions strike a compromise between the views of the pan-Islamic extremists and the Westernized moderate wing in the party, the Moslem League president continues vigorously to attack the West. *OK*

Pro-Western politicians who have defended US action in the Middle East during recent weeks, notably former Prime Minister Suhrawardy who made an election pact with President Mirza on 3 August, are likely to find it difficult to maintain this stand firmly if popular response to the opposition campaign continues to grow. The leader in East Pakistan of Suhrawardy's own Awami League, for example, has already embarrassed him by advocating a revision of Pakistan's foreign policy.

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Indonesia

A 35-man dissident raiding party on 10 August inflicted considerable damage to the Wingfoot Goodyear rubber estate located in North Sumatra, some 100 miles southeast of Medan. The dissidents fired a bazooka shell through the main office, destroyed the telephone exchange and six workers' homes, stole money, textiles, and vehicles, and killed four Indonesians. This is the third rebel action against Wingfoot, the largest rubber estate in Sumatra, comprising about 40,000 acres. The first occurred on 10 July when three employees were kidnaped but returned unharmed. The second one caused some property damage but no fatalities. Most of the estates which have been damaged in the dissidents' campaign to weaken Djakarta's economy were formerly Dutch-owned, but now are controlled by the Indonesian Government.

The central government has flown additional troops to Medan, probably to reinforce hard-pressed units south of the city. The fresh troops apparently have been drawn from Borneo and South Sumatra. The central government was also reported planning operations in an area of Central Sumatra just across the border from South Sumatra where the rebels heretofore have moved with relative freedom.

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Dissidents in North Celebes claim they have re-entered the town of Tondano, which fell to government troops in mid-July. Tondano, about 20 miles south of Menado, is one of the major population centers in North Celebes.

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Moroccan Istiqlal Party To Advise Government on
Foreign Troop Issue

Istiqlal, which holds eight of the ten cabinet portfolios in Morocco, decided on 12 August to create a special commission to prepare proposals for the withdrawal of foreign troops from Morocco. Moderate leaders may predominate on this commission, but the latter almost certainly will propose the eventual evacuation of all foreign troops, including forces from the five American-operated bases and auxiliary installations.

While the moderates might personally favor a flexible position on the foreign troops issue, they are striving to retain their pre-eminent positions within the party. Facing a showdown with the dynamic, young, popular leaders of the left-wing faction at the party's congress next month, they can be expected to try to outbid the left-wing leadership on this issue.

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